

Approval of the Preliminary Fiscal Year 2026-27 Regional Water Reuse System O&M and CIP Budgets

City Council

April 21, 2026

Nick Harvey
Deputy Director - Administration



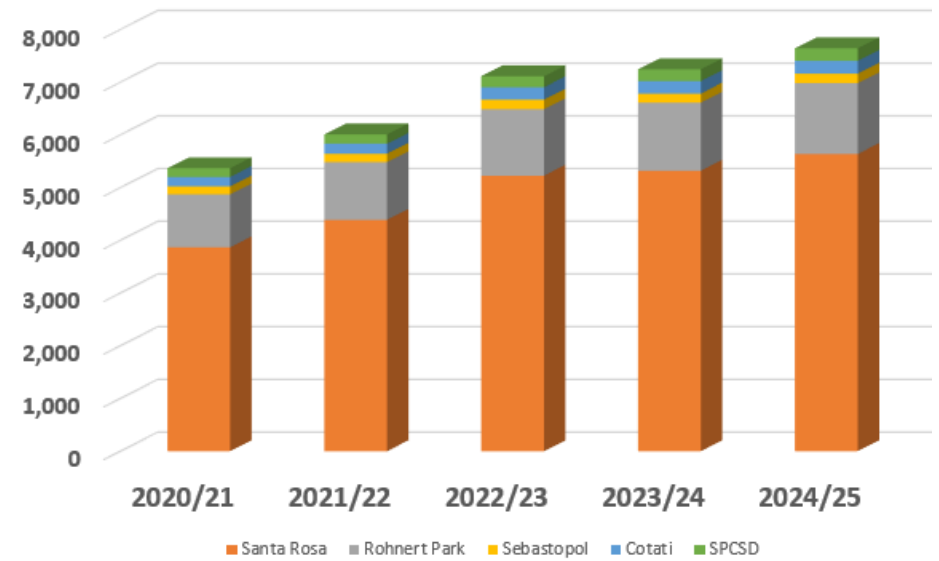
Regional Overview

- Proposed Budget
- User Agency Contribution Allocations
- CIP Review
- Remaining Budget Schedule



Annual Flow

(In Million Gallons)



Actual Annual Flows	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25 Percentage
Santa Rosa	3,867.02	4,388.95	5,225.50	5,320.77	5,637.34	73.76%
Rohnert Park	1,006.29	1,095.25	1,263.07	1,293.34	1,344.60	17.59%
Sebastopol	151.42	158.75	180.68	170.24	180.66	2.36%
Cotati	177.04	190.73	233.60	235.60	240.83	3.15%
SPCSD	166.31	175.00	210.21	224.28	238.95	3.13%
	5,368.08	6,008.68	7,113.06	7,244.23	7,642.38	100.00%

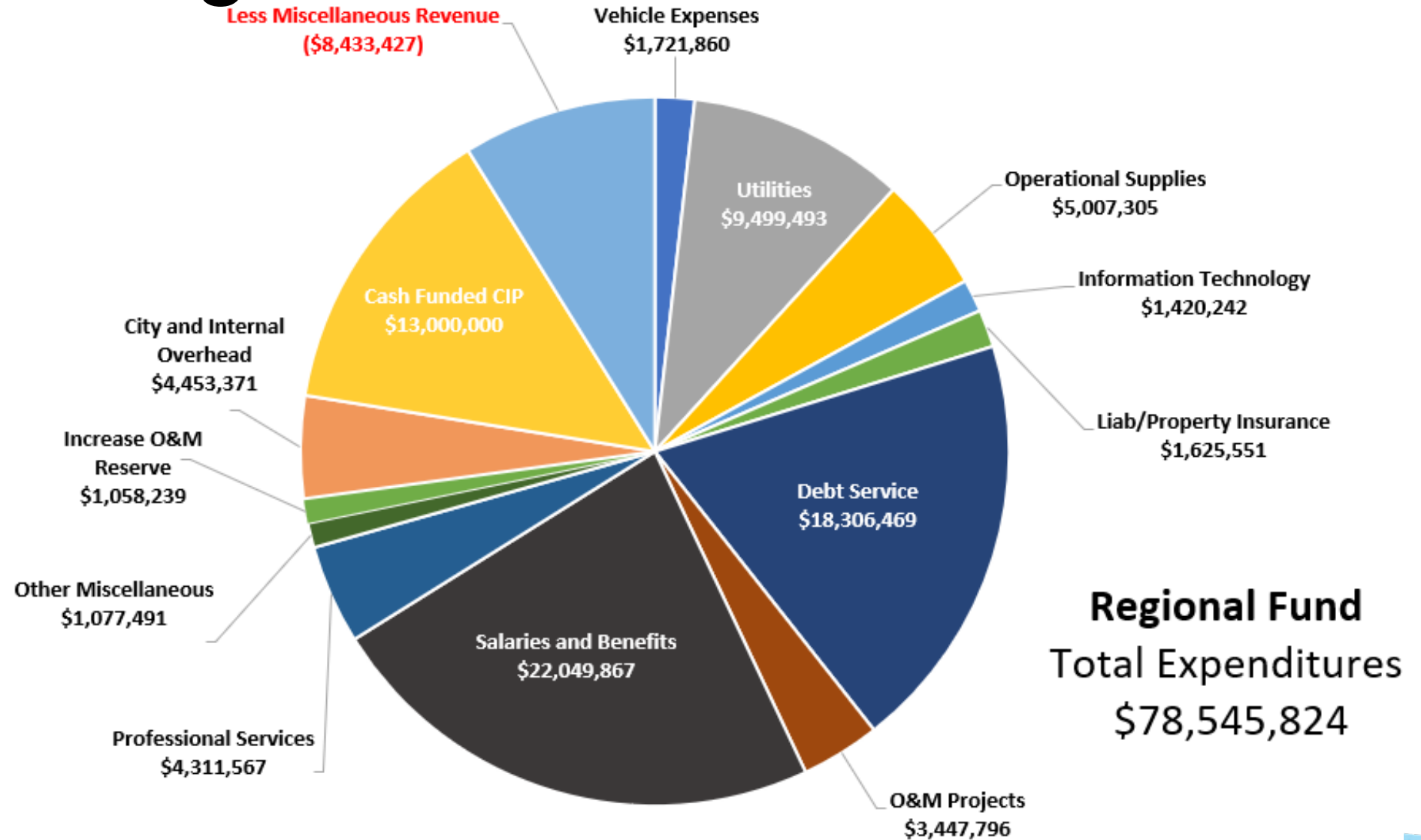
Regional Operations

Expenditure Object	2025-26 Total Request	2026-27 Total Request	Change	%
1631 - Regional Operations				
Operations and Maintenance Projects	\$5,140,938	\$3,447,796	(\$1,693,142)	-32.9
Salaries	\$13,549,076	\$13,964,986	\$415,910	3.1
Benefits	\$7,964,789	\$8,084,881	\$120,092	1.5
Professional Services	\$3,603,187	\$4,311,567	\$708,380	19.7
Misc - Training, Leases, Equip Rent, etc.	\$878,526	\$951,091	\$72,565	8.3
Vehicle Replacement and Maintenance	\$1,463,769	\$1,721,860	\$258,091	17.6
Utilities	\$8,685,904	\$9,499,493	\$813,589	9.4
Operational Supplies	\$4,624,713	\$5,007,305	\$382,592	8.3
Information Technology	\$1,307,148	\$1,420,242	\$113,094	8.7
Total Liab/Property Insurance	\$1,594,529	\$1,625,551	\$31,022	1.9
Debt Service	\$0	\$0	\$0	0.0
Internal & External Overhead	\$4,203,943	\$4,453,371	\$249,428	5.9
Capital Outlay	\$0	\$126,400	\$126,400	0.0
Total 1631 - Regional Operations	\$53,016,522	\$54,614,543	\$1,598,021	3.0

Increases/Reductions

- Salaries & Benefits - \$536K
 - 4% COLA Citywide
- Professional Services – \$708K
 - Budgeting for increased costs for biosolid land application and disposal with Lystek
 - Purchase of consumables for treatment – Grit screening, iron sponge and filter media replacements
- Utilities - \$813K
 - Anticipating higher electricity consumption at higher rates due to CHP production and use of higher UV doses in treatment
 - Should be mitigated to some extent once new UV system is operational
- Vehicle Replacement & Maintenance - \$258K
 - Increasing vehicle replacement contributions for anticipated additional vehicles
- Operations & Maintenance Projects – (\$1.6M)
 - Relying on carryover budgets

Regional Budget



Regional Reserves

as of June 30, 2024

- **Operating**
 - \$7,075,910
- **Catastrophic**
 - \$1,700,000
- **Partner Agency Refund Reserve**
 - \$16,283,990

<i>Refund Reserve</i>	Santa Rosa	Rohnert Park	Cotati	Sebastopol	SPCSD	Total
2014-2015	\$0.00	\$727,418.87	\$11,015.71	\$78,611.94	\$132,955.24	\$950,001.76
2015-2016	\$2,516,050.87	\$401,559.29	\$63,410.62	\$193,872.73	\$162,171.68	\$3,337,065.19
2016-2017	\$791,021.99	\$785,048.90	\$148,989.30	\$82,461.70	\$118,057.73	\$1,925,579.62
2017-2018	\$4,209,021.16	\$199,493.31	\$99,461.11	\$90,918.22	\$105,412.63	\$4,704,306.43
2018-2019	\$1,681,886.86	(\$439,231.74)	(\$134,896.25)	\$67,040.31	(\$48,200.46)	\$1,126,598.72
2019-2020	\$4,229,712.03	\$1,121,685.20	(\$219,815.33)	\$231,470.53	\$213,981.67	\$5,577,034.10
2020-2021	(\$12,835,572.23)	\$22,620.47	(\$64,019.98)	(\$37,359.51)	\$67,320.27	(\$12,847,010.98)
2021-2022	(\$1,234,908.12)	(\$835,369.67)	(\$45,819.37)	(\$114,261.10)	\$69,371.15	(\$2,160,987.11)
2022-2023	\$2,867.35	\$174,870.18	\$38,872.21	(\$89,283.05)	\$113,285.00	\$240,611.69
2023-2024	\$4,103,746.89	\$1,426,169.19	\$140,076.56	\$160,481.60	\$133,155.99	\$5,963,630.23
2024-2025	\$5,142,470.45	\$1,555,658.51	\$263,017.43	\$339,250.71	\$166,763.36	\$7,467,160.46
Totals	\$8,606,297.25	\$5,139,922.51	\$300,292.01	\$1,003,204.08	\$1,234,274.26	\$16,283,990.11

Miscellaneous Revenues

Regional Miscellaneous Revenues			
		2025/26	2026/27
		Budgeted	Projected
4511	Property Rentals	\$128,117	\$128,117
4521	Interest on Pooled Investments	\$1,000,000	\$1,400,000
4635	Sale of Water (recycled) - Retail	\$550,000	\$550,000
4638	Laboratory Services	\$55,000	\$100,000
4639	Tipping Fees	\$3,800,000	\$4,700,000
4690	Miscellaneous Fees and Charges	\$80,000	\$200,000
4853	Miscellaneous	\$90,000	\$200,000
4434	SCWA - Acceptance of Recycled Water	\$1,000	\$1,000
4443	Town of Windsor - Geysers	\$1,120,690	\$1,154,310
	Total	\$6,824,807	\$8,433,427

Fund Summary/Agency Contribution

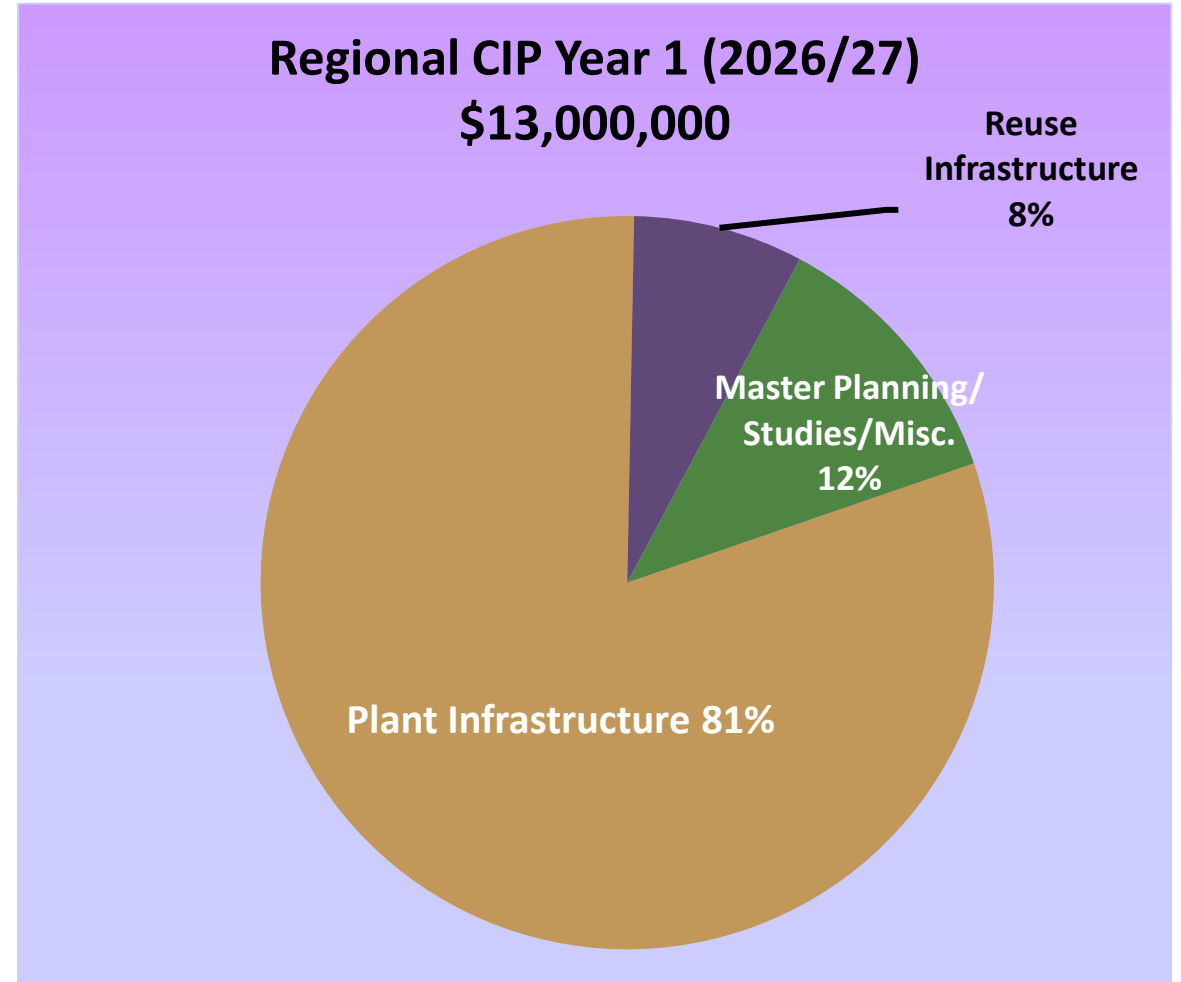
Fund Summary 2026/27	
	2026/27 Budget
Operating Expenditure Request	\$54,614,543
Regional WW Capital (Cash funded CIP)	\$13,000,000
Additional Operating Reserve needed	\$1,058,239
Expenditures Change in Operating Reserve	\$68,672,782
Regional System Reserves for 2026/27	
Operating Reserve	\$8,220,499
Geysers Reserves	\$1,250,000
Catastrophic Reserve	\$1,700,000
User Agency Reserve	\$5,000,000
	\$15,565,313
Agency Contribution Calculation:	
Expenditures Change in Operating Reserve	\$68,672,782
Less Revenue	(\$8,433,427)
Fund Balance Applied	\$0
Agency Contribution	\$60,239,355

Regional Partner Allocations FY 2025/26

	Total 2025/26	2026/27 Budgeted O&M	2026/27 CIP Contribution	2026/27 Debt Service	Total 2026/27	Difference	%
Santa Rosa	\$57,312,896	\$34,845,730	\$9,198,800	\$13,960,703	\$58,005,233	\$692,337	1.21%
Rohnert Park	\$13,682,453	\$8,311,290	\$2,561,000	\$2,842,949	\$13,715,239	\$32,786	0.24%
Sebastopol	\$1,953,889	\$1,116,702	\$423,800	\$446,654	\$1,987,156	\$33,267	1.70%
Cotati	\$2,559,277	\$1,488,627	\$383,500	\$661,711	\$2,533,838	(\$25,439)	-0.99%
SPCSD	\$2,264,173	\$1,477,006	\$432,900	\$394,452	\$2,304,358	\$40,185	1.77%
	\$77,772,688	\$47,239,355	\$13,000,000	\$18,306,469	\$78,545,824	\$773,136	0.99%

Regional CIP 2026/27

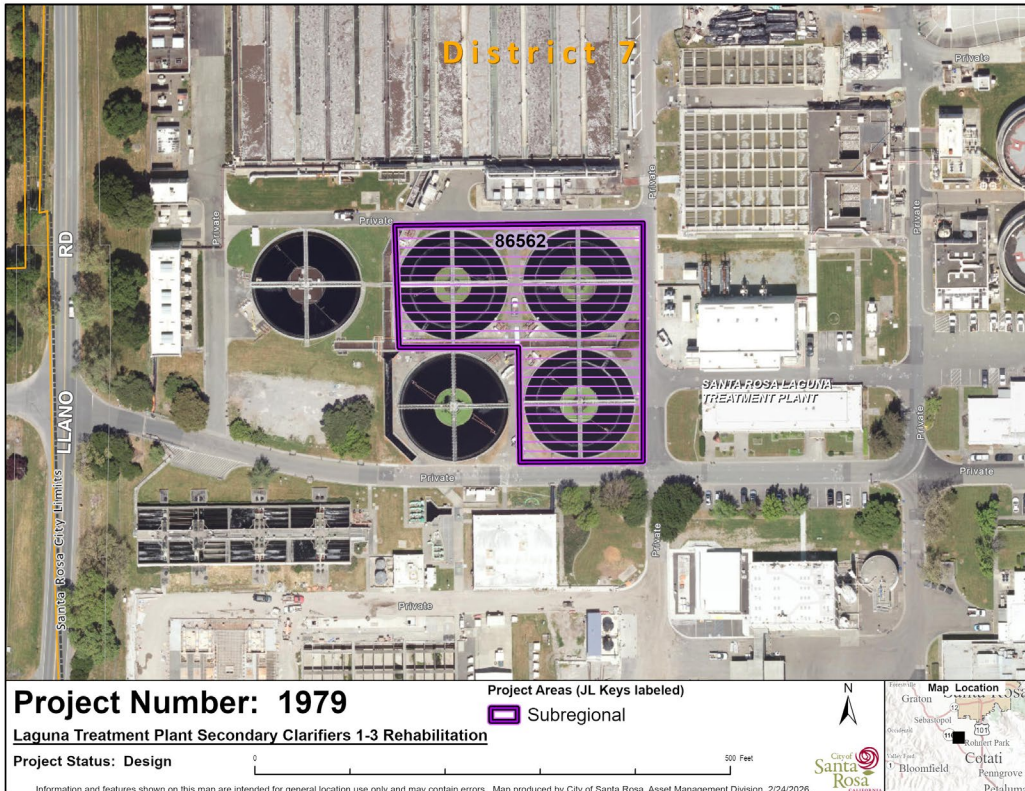
- Plant Infrastructure - \$10,475,000
- Reuse Infrastructure - \$975,000
- Master Planning/Studies/Misc - \$1,550,000



Regional

PID 1979 Laguna Treatment Plant Secondary Clarifiers 1-3 Rehabilitation

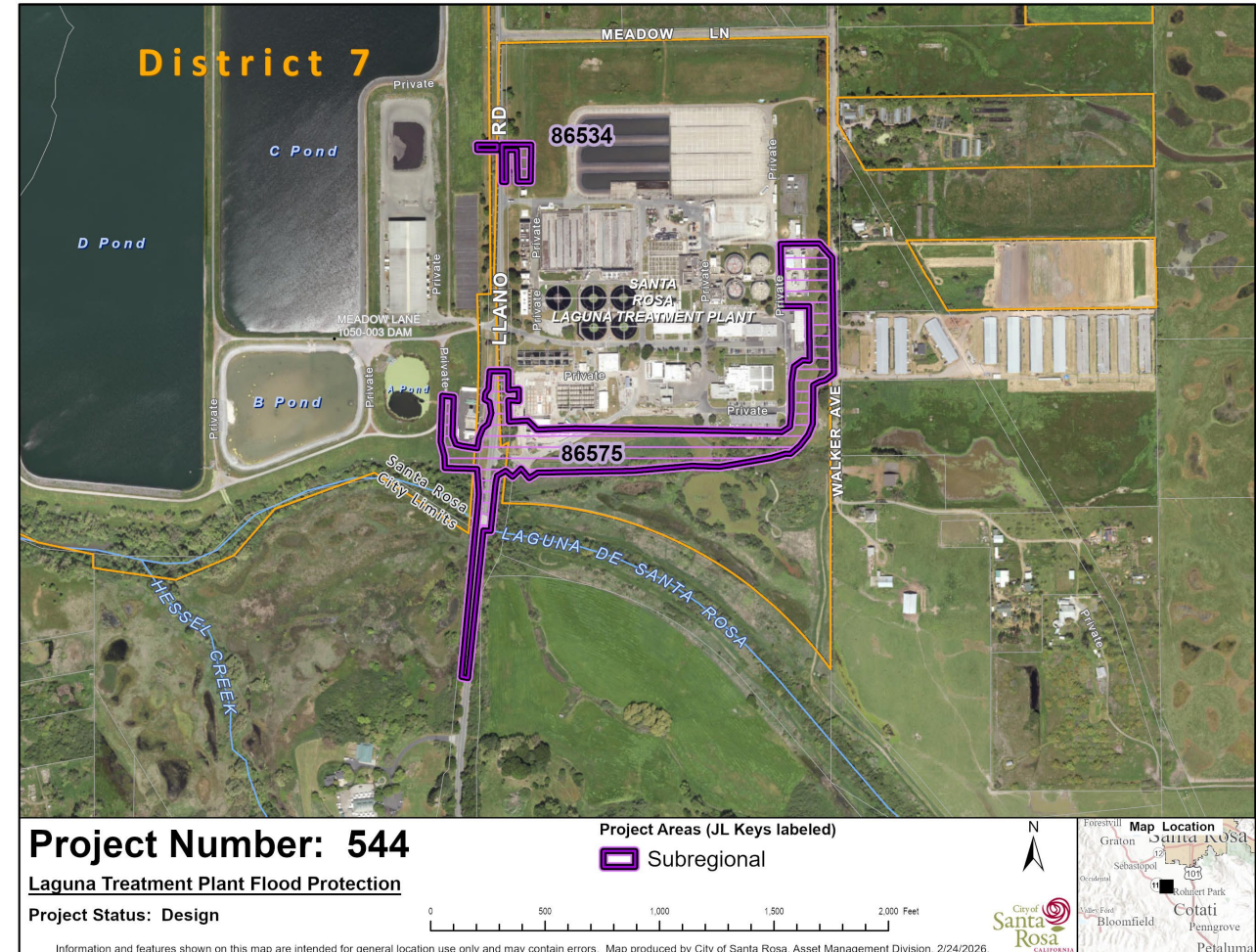
- Rehabilitate clarifiers 1-3 through replacement or coating of metal components and mechanisms, and repair and coating of concrete.
- Project Estimate: \$8.9M
- Currently in Design
- Construction: Year 2



Regional

PID 544 Laguna Treatment Plant Flood Protection

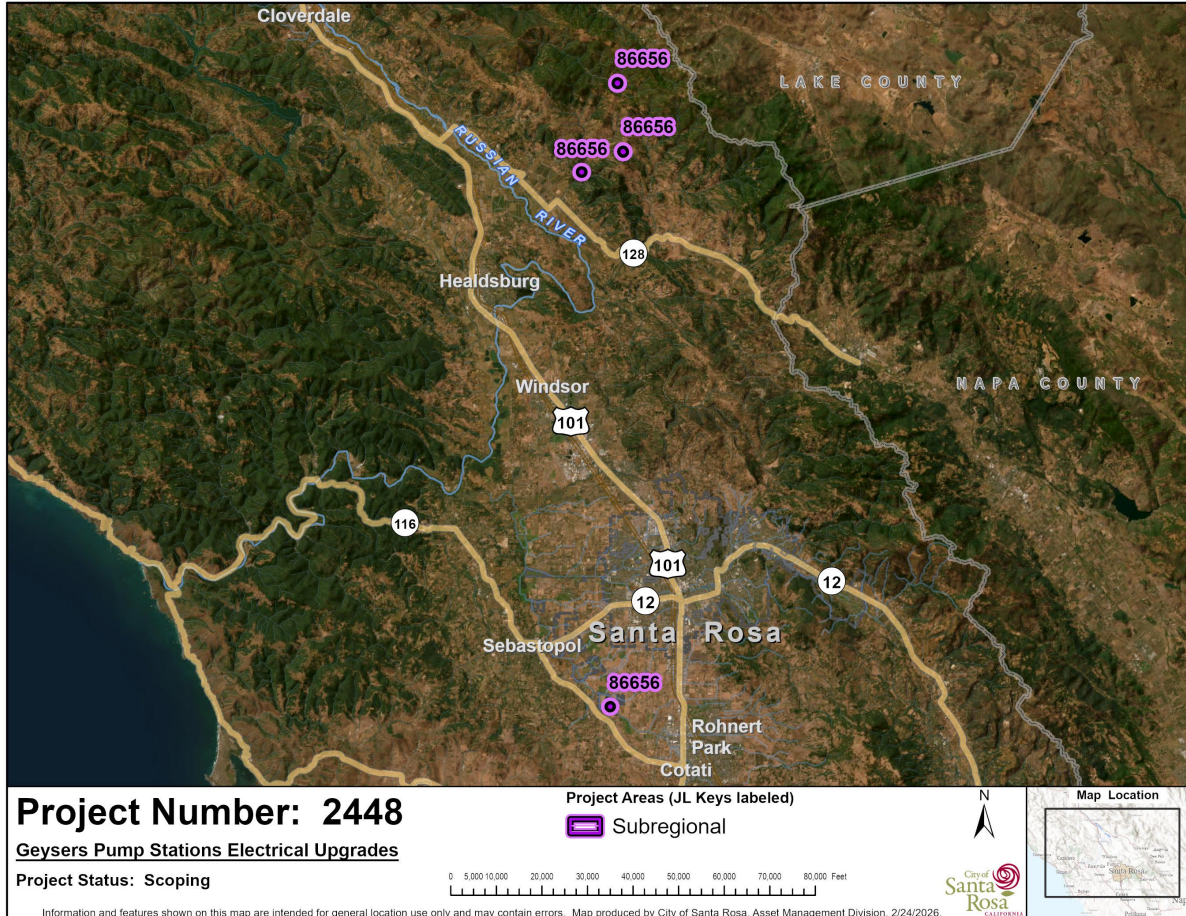
- Construct retaining walls and flood gates to protect the LTP from flooding during peak wet weather events.
- Project Estimate: \$21.2M
- Currently in Design
- Construction: Year 1



Regional

PID 2448 Geysers Pump Stations Electrical Upgrades

- Assess the condition of the Geysers pump stations, prioritize and upgrade electrical components, and develop a structured maintenance and replacement schedule.
- Project Estimate: \$6M
- Design: Ongoing
- Construction: Ongoing



Remaining Budget Schedule

- **City Council – May 5th & 6th**
 - Budget Study Sessions
- **City Council – June 16th**
 - Budget Adoption

Recommendation

Santa Rosa Water, the Board of Public Utilities, and the Subregional Technical Advisory Committee recommend that the Council, by resolution, approve the Preliminary Fiscal Year 2026-27 Regional Water Reuse System Operating and Maintenance, Capital Improvement, and Debt Service Budget and Allocation of Costs for the purpose of notifying the Regional Water Reuse User Agencies of their allocation of such costs by May 1, 2026.

QUESTIONS?